

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1314 - HB 1450**

April 3, 2021

**SUMMARY OF BILL:** Authorizes local governments to impose a public safety surcharge for purposes of providing public safety services such as fire protection and emergency communications services.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Revenue – Exceeds \$100,000/FY21-22 and Subsequent Years**

Assumptions:

- Any local government opting to establish a public safety surcharge would be required to pass a resolution or ordinance naming the proposed use the funds, the service area subject to the surcharge, and the amount of the surcharge. The local governing body must review the surcharge annually.
- Any vote by the local legislation body would be accomplished at a regularly-scheduled meeting; therefore, any increase in local expenditures is considered not significant.
- The proposed language requires revenues collected from the surcharge to be:
  - Utilized for only the purpose for which they were collected; and
  - Assessed in an amount which reflects the cost of providing the public safety service or the payment of any applicable maintenance of effort requirements.
- If a municipality or county enters into an interlocal agreement with an emergency communications district (ECD) to establish terms and conditions for the allocation of funds raised by the public safety surcharge to provide funding to the ECD, and the interlocal agreement expires and the parties are unable to negotiate new terms that are satisfactory to both parties, either party is authorized to request the Comptroller of the Treasury (COT) to mediate the terms of the interlocal agreement.
- Instances in which such mediation will occur are estimated to be rare. It is reasonably assumed that for any mediation initiated by such parties, the COT will be able to perform the mediation services utilizing existing staff and resources.
- The precise increase in local government revenue cannot be determined due to unknown factors such as the number of local governments who will elect to establish such surcharge, the extent of the surcharge assessed, the number of citizens residing within the designated district, and the timing of when such surcharge will be initiated; however, the recurring increase in local government revenue is reasonably estimated to exceed \$100,000 statewide, beginning in FY21-22.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid.

Krista Lee Carsner, Executive Director

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